

AMENDED IN SENATE JANUARY 5, 2004

SENATE BILL

No. 121

Introduced by Senator Margett

(Coauthors: Senators Aanestad, Denham, Knight, and Morrow)

*(Coauthors: Assembly Members Bates, Benoit, Cogdill, Daucher,
Dutton, Maddox, and Maze)*

February 3, 2003

An act to add Section 17053.51 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 121, as amended, Margett. Personal income taxes: long-term care.

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.

This bill would allow a credit for 30% of the amount paid or incurred by the taxpayer for long-term care or long-term care insurance for the taxpayer or any parent of the taxpayer, up to \$300 per taxpayer.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17053.51 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17053.51. (a) For taxable years beginning on or after January
- 4 1, ~~2003~~ 2004, there shall be allowed as a credit against the "net
- 5 tax," as defined in Section 17039, an amount equal to 30 percent

1 of the amount paid or incurred by the taxpayer during the taxable
2 year for the cost of long-term care or long-term care insurance for
3 the taxpayer or any parent of the taxpayer. The credit ~~shall~~ *may* not
4 exceed three hundred dollars (\$300) per taxpayer, or six hundred
5 dollars (\$600) for taxpayers filing jointly.

6 (b) For purposes of this section, “long-term care insurance”
7 shall be defined by Section 7702B(b) of the Internal Revenue
8 Code.

9 (c) For purposes of this section, “parent” shall be defined as
10 the natural, biological, or adoptive mother or father of the
11 taxpayer.

12 (d) The long-term care facility or home caregiver shall provide
13 the taxpayer with written verification, specifying the name of the
14 taxpayer, payments made for the long-term care, the name of the
15 individual receiving the long-term care, and the time period
16 covered.

17 (e) In the case where the credit allowed by this section exceeds
18 the “net tax,” the excess may be carried over to reduce the “net
19 tax” in the following year, and succeeding years, if necessary, until
20 the credit is exhausted.

21 SEC. 2. This act provides for a tax levy within the meaning of
22 Article IV of the Constitution and shall go into immediate effect.

